

Volume II Issue 1 · 2003

# InsideHNE

A R E S O U R C E F O R D E C I S I O N M A K E R S



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*Writer/Editor:* Andy Janicik

*Inside HNE* is also available online at the HNE website, [healthnewengland.com](http://healthnewengland.com). Direct questions to Health New England's Sales Department at 800-842-4464 or 413-787-4000.

## IMPORTANT INFORMATION

### BENEFIT AND UTILIZATION MANAGEMENT CHANGES

April 25, 2003

Dear Employer/Broker:

I want to let you know about some upcoming benefit and utilization management changes.

- Effective immediately, HNE will not require prior approval for treatment of carpal tunnel or median nerve release.
- Effective July 1, HNE will require prior approval for neuropsychological testing and intravenous immunoglobulin (IVIg) therapy. For a copy of the criteria, please contact Health Services at 787-4000, ext. 3416. *This change only applies to fully insured groups (except GIC.)*
- New exclusions effective July 1:
  - INJEX™/ROJEX™ needle-free injection system.
  - Growth factor mediated lumbar spinal fusion devices such as the InFUSE™ bone graft/LT-CAGE™ lumbar tapered fusion device.
- Effective June 26, HNE will begin using Managed Care Appropriateness Protocol (The Oak Group) for utilization review of:
  - Medical-surgical acute care.
  - Rehabilitation care.
  - Sub-acute care.
  - Skilled nursing facility care.
  - Home care.

These new clinical criteria, which are used by many of our participating hospitals, replace InterQual® (McKesson) criteria.

- Effective June 26, we will be using new clinical criteria for rhinoplasty, septoplasty, laser-assisted uvulopalatopharyngoplasty, and panniculectomy procedures. For a copy of the criteria, please call Health Services at 787-4000, ext. 3416.

If you have any questions, please feel free to call me at 413-787-4000.

Best regards,



Juan Campbell  
Sales Manager



The Ludlow Boys and Girls Club's brand new facility—features Cybex circuit training and cardio equipment; a six-lane, 25-yard indoor pool; fitness center with gymnasium; and game room.

## PRODUCT UPDATES

### Low Option Pharmacy benefit

Health New England has received approval for a low option pharmacy benefit. This benefit includes a front-end deductible per individual and could include a calendar year maximum. For more information, please feel free to contact HNE's Sales department at 413-787-4000.

### HNEPlus

Just a reminder: don't forget to check out HNEPlus online at [healthnewengland.com](http://healthnewengland.com). You'll find vendors who have agreed to provide discounts to HNE members for their services or products. New agreements are added periodically, and it's a good idea to keep checking to find out where you, your employees or clients can save money.

### Basketball Hall of Fame discount program

Health New England has signed an agreement with the Basketball Hall of Fame to provide discounts to HNE members. HNE members receive \$2 off the price of admission by showing their HNE ID card at time of purchase.

### Ludlow Boys & Girls Club

The Ludlow Boys and Girls Club offers our members discounts on any family or adult 12-month membership: 15 percent discount with monthly automatic debit or 20 percent discount with membership paid in full at registration.

The Ludlow Boys and Girls Club is a new facility, featuring a six-lane, 25 yard indoor pool, fitness center with Cybex circuit training and cardio equipment, gymnasium and game room.

*If you are interested in a tour, joining, or membership prices, please contact Dan D'Angelo at the club.*

# PHARMACY UPDATES

the drug, patient outcome and cost effectiveness.

## Rx Pulse

*Generic drug use reached an all-time high in 2002, with 45.2 percent of all prescriptions filled as a generic. A major reason is generic versions of the antidepressant Prozac™, the diabetes drug Glucophage™, and the heart drug Zestril™.*

Reprinted with permission from eBenX™  
Health Trend Report

### Newly Approved Drugs/ Clinical Review Period

HNE does not cover newly approved brand name medications for a minimum of six months after FDA approval. During this clinical review period, our physicians review these medications for safety, effectiveness, and appropriate level of coverage. After review, these drugs will be covered under either the middle copayment level (Tier 2) for formulary additions or our highest copayment level (Tier 3) for drugs not added to the formulary. **The clinical review period does not apply to newly approved generics.** Generic drugs are covered under the lowest copayment level (Tier 1).

### Formulary evaluation criteria

- Safety.
- Efficacy - the potential effects of treatment under optimal circumstances.
- Effectiveness - the actual effects of treatment under real life conditions.
- Cost and outcome modeling - potential health outcomes and resulting total cost of drug and medical care; potential savings.
- Relevant benefits of current formulary of similar use.
- Condition of potential duplication of similar drugs on formulary.
- Any restrictions needed to assure safe, effective, or proper use of

### Treatment for Seasonal Allergic Rhinitis is now available without a prescription

The Food and Drug Administration recently approved all formulations of Claritin (loratadine) to be sold without a prescription. The Claritin line of over-the-counter products will be marketed in all of its five formulations, at their original prescription strengths. The five formulations include: Claritin tablets, RediTabs tablets, and syrup; and Claritin-D 12-hour extended release tablets. Since it is now available without a prescription, claritin prescriptions will no longer be covered under the pharmacy benefit plan. Allegra and Zyrtec are still available by prescription and covered under the pharmacy benefit at the highest copayment level (Tier 3).





## PROVIDER UPDATES

# HIPAA and 834 Forms

The Health Insurance Portability and Accountability Act has affected employers and insurers in many ways, including: new guaranteed issue requirements for small employers; new privacy rules; and administrative simplification rules for insurers. Included in the administrative simplification piece are transactions that insurers are required to accept from covered entities, including employers.

Health New England has made significant strides with many of the required transactions for claims processing and has also focused efforts on the enrollment transaction, otherwise known as an "834."

Effective May 1, 2002, HNE began accepting a HIPAA compliant enrollment transaction (an 834) from one of our intermediaries, Massachusetts Business Association. With this electronic functionality, we have expedited the enrollment process for all members enrolled through MBA.

We continue to look for additional employer partners who can utilize this electronic enrollment function. For more information, please contact Juan Campbell, sales manager, at 413-787-4000.

### **HNE Expands Agreement with Williamstown Medical Associates**

Effective March 1, Health New England expanded its agreement with Williamstown Medical Associates to include primary care for adults and pediatrics. Prior to this new agreement, only the specialists participated with Health New England. The new agreement will provide increased access to primary care for HNE residents of northern Berkshire County.

Williamstown Medical Associates includes the following specialties:

- Acute Care/ Hospitalist.
- Dermatology.
- Gastroenterology.
- Internal Medicine.
- Pediatrics.
- Pulmonology.
- General Surgery.
- Obstetrics and Gynecology.
- Podiatry.

### **HNE Expands Agreement with Sisters of Providence Health System**

Health New England has expanded its agreement with Sisters of Providence Health System to members enrolled in self-funded plans.

Prior to 2003, the agreement with SPHS was limited to certain specialty services to all HNE members, including fully insured and self-funded plans.

- Inpatient acute rehabilitation services at the Weldon Rehabilitation Center.
- Outpatient rehabilitation services for children.
- Child inpatient and outpatient psychiatric services.

Effective Jan. 1, the agreement with SPHS was expanded to offer the following additional services to self-funded members.

- Inpatient acute care.
- Emergency services.
- Ambulatory surgery.
- Diagnostic services.
- Outpatient rehabilitation services for adults.
- Adult psychiatrics services.

## INSIDE HNE GETS A FACELIFT-2003

Based on your much-appreciated feedback and our commitment to providing you with a valuable resource, we've made a few changes.

We like to think of *Inside HNE* not only as a way to keep you informed about our company, making it easier to do business with us, but also as a reflection of our personal approach to the business.

## INDUSTRY HIGHLIGHTS & MARKET TRENDS

- Total U.S. health care spending increased in 2001 by 8.7 percent to \$1.424 trillion, 14.1 percent of the gross domestic product. Prescription drugs were the fastest growing segment at 15.7 percent to a total of \$141 billion. Spending on hospitals was \$451 billion (8.3 percent increase) and on physicians and clinics was \$314 billion (8.6 percent increase). Per person spending was \$5,035. *Source: Centers for Medicare and Medicaid Services.*
- Tens of millions of patients with chronic diseases are not receiving the type of care management that has been proven to be effective, according to a national survey by researchers from the University

Each issue will continue to feature a look at the people behind HNE, through "*The Strength of HNE.*" We will also share more information about our community involvement through sponsorships and health programs and how you can become involved.

*Inside HNE* was created for you. Let us know if there is anything you'd like to see more or less of by filling out the Feedback Form on page 11. Thank you.

of California, Berkeley and the University of Chicago. On average, physician groups used only 32 percent of care management procedures for asthma, congestive heart failure, depression and diabetes, which together account for 140,000 deaths and \$173 billion in costs each year in the U.S. *Source: Robert Wood Johnson Foundation.*

- Less expensive, traditional diuretics work better than newer medicines (calcium channel blockers, angiotensin converting enzyme (ACE) inhibitors and alpha-adrenergic blockers) to treat high blood pressure and prevent some forms of heart disease, according to a study supported by the National Heart, Lung and Blood Institute. About 24 million Americans take drugs to lower high blood pressure at an annual cost of \$15.5 billion.

*Reprinted with permission from eBenX<sup>SM</sup> Health Trend Report*

## BUILDING PARTNERSHIPS IN HEALTH CARE

Effective Jan. 1, Health New England and Fallon Community Health Plan-two of the country's top-ranking health plans-entered into an agreement to help market each other's products, and to work together to serve employers that have employees living in both western and central Massachusetts.

By agreeing to market each other's products, HNE and FCHP can effectively compete with statewide plans and provide employers with additional choice.

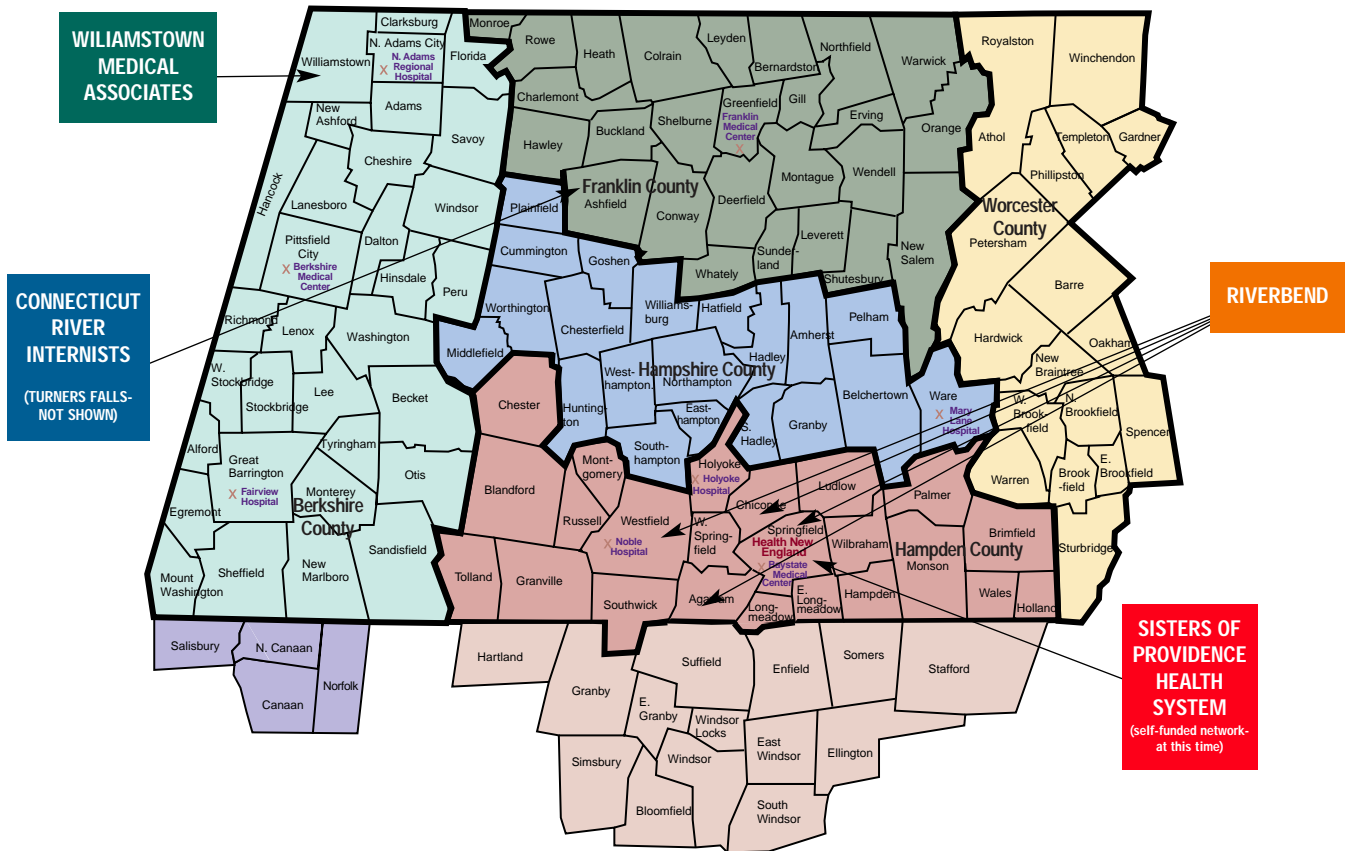
Employers who offer the plans jointly can choose to have one point of contact, and the two plans will continue to bill separately, and provide separate identification cards to employees.

Fallon Community Health Plan and Health New England have an accreditation status of "Excellent" for their commercial plans from the National Committee for Quality Assurance. This accreditation status, the highest level achievable, is based on a voluntary review of how a health plan ensures that its members are receiving high quality care.



HNE was recently named one of the top 15 accredited plans in the country based on member satisfaction, according to the Consumer Assessment of Health Plans, a

*(continued on page 12)*



# HNE'S EXPANDING NETWORK

These days health plans are rolling out new products, network additions or changes so frequently that sometimes it feels like it's old news as soon as a project is completed.

I would like to pause for a moment to reflect on some major network accomplishments that have occurred at Health New England over the last two years.

## November 2001

Connecticut River Internists agree to join our panel of participating providers. The addition of this provider group allows HNE to effectively compete in Franklin County and complements our network; which includes Franklin Medical Center.

## July 2002

Riverbend Medical Group joins our network of independent practice providers. This group of primary care physicians and specialists enhances our already extensive list of providers in Hampden County. Riverbend Medical Group has convenient locations in Agawam, Chicopee, Springfield and Westfield.

## January 2003

Sisters of Providence Health System joins Health New England's network for self-insured employers. This agreement allows self-insured plans access to a broad range of inpatient and outpatient medical and diagnostic services of the Sisters of Providence Health System, which includes Mercy Medical Center and Weldon Rehabilitation Hospital in Springfield and the behavioral health services at Providence Hospital in Holyoke, which offers

inpatient and outpatient mental health services for children and adults.

## March 2003

HNE and Williamstown Medical Associates expand agreement to include primary care services for adults and pediatrics. The new agreement allows HNE members access to primary and specialty care services and completes our network in Northern Berkshire County.

While it may seem like old news, the addition of these providers required a considerable amount of effort and persistence. Health New England's Sales Department commends the accomplishments achieved by our Network Development and Operations Department.

Juan Campbell  
Sales Manager

# THE STRENGTH OF HNE

## Network Development & Operations Department

The Network Development and Operations Department oversees HNE's provider contracting and provider relations. This includes ongoing assessment of the network to ensure access to care for members throughout the service area; negotiation of competitive financial arrangements to assure cost effectiveness; and superior service and support to our network.

We work closely with other departments to:

- Ensure the provider network meets the needs of existing and potential members.
- Ensure the network includes an adequate number of providers who meet rigorous quality

standards and adequately cover the service area.

- Develop and negotiate competitive financial arrangements that balance provider satisfaction and retention with cost effectiveness and quality incentives.
- Coordinate the implementation and maintenance of payment arrangements, including verification of plan systems integrity and provider billing compliance.
- Coordinate other activities to fulfill obligations of the plan and providers under contract terms.

The Network Development and Operations Department works directly with the provider network, both onsite and by phone, to provide education and support to providers and their staffs on plan policies and procedures. Representatives develop, distribute and describe referral and authorization policies and procedures, claims

submission procedures, and utilization management initiatives.

In the past year, we have actively promoted a number of plan-wide initiatives to the provider network. These initiatives include:

- Prior authorization process for high-cost imaging services.
- HNE Direct, our web-based application for member eligibility and claims status.
- Increased use of electronic claims submission.

Our staff includes Kathy Keeney, Ann Hurley, Anne Medina, Conni Rancke, Maureen Ryan, Michael Snyder, Gia Taylor, Rita Tisinger and Pam Zagorski.



Pam Zagorski  
Manager of Network Development and Operations



Pictured front row (l to r): Gia Taylor, Anne Medina. Back row (l to r): Conni Rancke, Pam Zagorski, Michael Snyder, Rita Tisinger, and Ann Hurley. (Kathy Keeney and Maureen Ryan not shown)

# HEALTH PROGRAMS

## Living Well Program now offered at employer worksites

Trying to keep up with life while managing a chronic illness can sometimes make you feel like a hamster running on a wheel!

HNE's Living Well Program can help — and it is now being offered at employer worksites. Living Well, developed by the Stanford University School of Medicine Patient Education Research Center, has been scientifically proven to work. This empowering, six-week self-management program helps participants:

- Ease frustration that often comes with juggling life's demands while managing a chronic condition.
- Relax the mind and body - which has been proven to lessen fatigue and pain, and improve breathing.
- Set meaningful goals, make action plans and follow through.
- Improve nutrition
- Solve problems.
- Communicate effectively with your doctor.
- Learn easy ways to add physical activity into your day!

Research has shown that self-management is an effective way to gain control over chronic conditions and improve the quality of life. HNE staff have completed training at Stanford University and are certified facilitators.

Class materials cost \$35 per person and include the book, "Living a Healthy Life with Chronic Conditions," and an audiocassette tape, "Time for Healing."

To find out more or schedule a program at your worksite, contact Alres Dinnall at 413-787-4000, ext. 3553.

## HNE Introduces the Whiz Kidz Program

We proclaimed 2001 to be the "Year of the Family." In 2002, we focused on "Celebrating Women." This year, we are expanding our focus to promote the health and well-being of children.

We are proud to introduce the Whiz Kidz Program, using innovative, fun ways to help kids learn and understand health and safety issues.

Topics include:

- Exercise and obesity.
- Nutrition.
- Stranger danger.
- Sports safety.
- Step/blended families.

If you would like to distribute program flyers at your worksite, please call Lynn Ostrowski at 413-787-4000, ext. 3383. The program is open to anyone who would like to attend.

In the first element of the series, kids meet ACE, the Asthma Control Expert, and his friend Furlis, a cat with no hair. Visit [healthnewengland.com](http://healthnewengland.com) for a link to a web site featuring:

- Educational information to help children understand asthma.
- Excerpts from the storybook, How ACE Became An Asthma Control Expert.
- Fun games and activities.

Our next topic in the Whiz Kidz series, obesity and exercise, is a sensitive topic involving the whole family, schools and the community. We will be tackling this topic in a number of ways, including seminars, another children's book, and a health fair.

In the coming months, you'll find more information on our website and through HNE's Member Matters newsletter.



# HNE IN THE COMMUNITY

## Community Involvement

During the past several years, Health New England's commitment to the community has grown from sponsorship to partnership.

In 2002, HNE contributed over \$150,000 in support of local charities and organizations, many of which have worked with us for more

than 10 years. In turn, this money helped these organizations raise over \$2.5 million. Some of these organizations include: Girl Scouts of the Pioneer Valley, United Way, Goodwill, Open Pantry, American Heart Association, Rays of Hope, the Children's Miracle Network, Western Mass Chapter of the Alzheimer's Association, and Spirit of Springfield, to name a few.

HNE is also proud to share time and talent. Many of our associates are members of various boards of

directors. We volunteer to plan fund-raising events and make sure they run smoothly. We provide support for capital campaigns, design and print literature, and help agencies expand their services and visibility.

We also do what we can to promote local businesses. In this publication, you will read about our involvement with the Ludlow Boys and Girls Club, and our support to the Naismith Memorial Basketball Hall of Fame.

CALENDAR OF UPCOMING HNE-SPONSORED EVENTS			
<p><b>APRIL</b></p> <p><b>KIDS DAY</b> Basketball Hall of Fame <i>April 26</i></p> <p><b>KIWANIS BIKE RODEO</b> <i>April 26</i></p> <p><b>BOY SCOUTS OF PIONEER VALLEY CITIZEN AWARD DINNER</b> Chez Josef <i>April 30</i></p>	<p><b>BAYSTATE CHILDREN'S HOSPITAL ANNUAL GOLF TOURNAMENT</b> <i>May 5</i></p>	<p><b>LEUKEMIA &amp; LYMPHOMA SOCIETY GOLF TOURNAMENT</b> Twin Hills Country Club <i>May 19</i></p>	<p><b>VNA STEP OUT FOR HOSPICE</b> Forest Park, Springfield <i>June 7</i></p>
	<p><b>SPIRIT OF CHAMPIONS</b> Forest Park, Springfield <i>May 17</i></p>	<p><b>JUNE</b></p> <p><b>BOY SCOUTS OF PIONEER VALLEY GOLF TOURNAMENT</b> Springfield Country Club <i>June 2003</i></p> <p><b>DISCOVER WESTFIELD CHILDREN'S MUSEUM GOLF TOURNAMENT</b> Tekoa Country Club <i>June 2003</i></p>	<p><b>KINDERVISION</b> Location - TBD <i>June 28</i></p>
	<p><b>NORTHAMPTON COMMUNITY MUSIC CENTER SPRINGFEST 2003</b> Downtown Northampton <i>May 17</i></p> <p><b>PIONEER VALLEY SYMPHONY</b> <i>May 17</i></p> <p><b>AMERICAN HEART ASSOC. HEART WALK</b> Forest Park, Springfield <i>May 18</i></p>		<p><b>MARY LANE HOSPITAL GOLF TOURNAMENT</b> Hickory Ridge <i>July 14</i></p> <p><b>KINDERVISION</b> Location - TBD <i>July 19</i></p> <p><b>ASNUNTUCK COMMUNITY COLLEGE TOURNAMENT</b> <i>July 28</i></p>
<p><b>MAY</b></p> <p><b>CHILDREN'S STUDY HOME GOLF TOURNAMENT</b> <i>May 1</i></p>	<p><i>We take great pride in our commitment and will continue to inform you of our partnerships throughout Western Massachusetts.</i></p>		

# FEEDBACK

Please fill out and fax to 413-736-1850

We want to continue to provide you with tools and information to keep you informed and make it easy to do business with us. To do that, we need your continued help. Please take a minute to answer a few simple questions below, then tear it out and fax it to our Sales Department at 413-736-1850. *Thank you!*



1. **How would you rate Inside HNE?** Overall, did you find the newsletter *(please check one for each)*:

- Informative?     Yes    No
- Useful?         Yes    No
- Interesting?    Yes    No
- Easy to read?    Yes    No

2. **What would you like to see from Inside HNE?**  
*Please indicate the importance of each topic to helping you do your job. (Check one box in each row).*

### Network Updates

*Changes in participating doctors and facilities*

- Very Important
- Somewhat Important
- Not Very Important

- Not Important At All

### Regulatory Updates

*Changes in state and federal laws affecting health care*

- Very Important
- Somewhat Important
- Not Very Important
- Not Important At All

### Product Updates

*New HNE products*

- Very Important
- Somewhat Important
- Not Very Important
- Not Important At All

### Benefit Updates

*Changes in benefits*

- Very Important
- Somewhat Important
- Not Very Important
- Not Important At All

### Health Programs *Info on new programs and other activities*

- Very Important
- Somewhat Important
- Not Very Important
- Not Important At All

### Pharmacy Changes

*Changes in formulary, prior approvals, etc.*

- Very Important
- Somewhat Important
- Not Very Important
- Not Important At All

### Industry Information

*Trends/developments in health care*

- Very Important
- Somewhat Important

- Not Very Important
- Not Important At All

**Strength of HNE *Features on HNE departments: What they do, who they are, and how they serve you***

- Very Important
- Somewhat Important
- Not Very Important
- Not Important At All

3. **What future topics would you suggest? *(please print)***  
Please give us your ideas for future articles or regular features.

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4. **Any other comments? *(please print)***

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5. **Please tell us about yourself. *(Optional: please print)***

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Name

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Company

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Phone

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## BUILDING PARTNERSHIPS IN HEALTH CARE

*(continued from page 6)*

nationwide survey conducted on behalf of the NCQA.

FCHP has been named the number one health plan in the country four times – twice by Newsweek (1999, 1996) and twice by U.S. News and World Report®.

Health New England is a managed care company located in Springfield, Mass., with a sales and service office in Pittsfield. Health New England serves nearly 100,000 members in western Massachusetts and northern

Connecticut through various health coverage plans.

Fallon Community Health Plan, which has more than 190,000 members, is one of America's foremost managed care plans. Founded 25 years ago, the plan's network includes thousands of private practice physicians, as well as its founding medical group, Fallon Clinic. The plan offers a choice of targeted products, including HMO plans, a point-of-service plan, an out-of-area indemnity product and a Medicare + Choice plan.

*For more information, please contact Juan Campbell, Health New England Sales Manager, at 413-787-4000.*

*Employers who offer the plans jointly can choose to have one point of contact, and the two plans will continue to bill separately and provide separate identification cards to employees.*